



STATE OF CALIFORNIA
BUSINESS, TRANSPORTATION AND HOUSING AGENCY
DEPARTMENT OF CORPORATIONS
California's Investment and Financing Authority
NEWS RELEASE

05-06

Arnold Schwarzenegger, Governor

Wayne Strumpfer, Acting Commissioner

FOR IMMEDIATE RELEASE

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**California Department of Corporations Orders Payday Loan Stores
To Stop Lending In State**

SACRAMENTO, June 17, 2005 – California Department of Corporations (Corporations) has brought enforcement actions against six payday loan stores operating in Southern California found to be transacting payday loans without a proper license in California.

Operators in the business of making a small, unsecured, short-term cash advance to customers, typically cleared on payday, are licensed by Corporations effective December 31, 2004 under the California Deferred Deposit Transaction Law.

Corporations issued desist and refrain orders to six payday lenders to halt payday loans including Anyday's Payday and Loan of Yucaipa, Cash It Quick in Lancaster, D & J Market of Hesperia, Express Cash Advance in Lake Elsinore, K & W Check Cashing of Gardena, and Pro Check Cashing in Santa Ana. The move comes after an investigation, which determined that the companies had no legal authority to transact payday loans in this state. (See attachment for fact sheet on desist and refrain orders.)

"Unlicensed payday lenders evade state consumer protections and will not be tolerated as Corporations enforces the new law," said California's Acting Corporations Commissioner Wayne Strumpfer. "Just as importantly, it creates an unfair advantage for unscrupulous companies against those who operate within the scope of our state laws."

The Department of Corporations is California's investment and financing authority and is responsible for the regulation, enforcement, and licensing of securities, franchises, off-exchange commodities, investment and financial services, independent escrows, consumer and commercial finance lending, residential mortgage lending, and payday lenders. For further information or to obtain a complaint form, please visit Corporations' Web site at www.corp.ca.gov or call our consumer resource center toll-free at 1-866-ASK-CORP (1-866-275-2677).

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**CALIFORNIA DEPARTMENT OF CORPORATIONS
DESIST AND REFRAIN ORDERS ISSUED TO PAYDAY LOAN STORES
JUNE 2, 2005**

Desist and Refrain Order Issued To:	Location(s):	Violations of California Financial Code section 23005: (Prohibits unlicensed activity)
Anyday's Payday and Loan and Owner George Starkey	34309 Yucaipa Blvd. Yucaipa, CA 92399	Originated at least 143 payday loans since January 1, 2005 without a license or exemption from licensing by the California Department of Corporations.
Cash It Quick and Owner Nadia Haddad	<u>Main Office:</u> 43535 N. Gasden Ave., Suite F Lancaster, CA 93534 <u>Branch Office:</u> 18503 Victory Blvd. Reseda, CA 91335	Engaged in the business of payday lending without a license or exemption from licensing by the California Department of Corporations. Cash It and Haddad assisted Money Mart Express, Inc. in originating payday loans by advertising on its storefront as a payday loan store, handling the borrower's application for Money Mart, and distributing Money Mart debit cards.
D & J Market and Owner Suhail Mahho	18361 Bear Valley Rd., Suite 1 Hesperia, CA 92345	Originated at least 25 payday loans since January 1, 2005 without a license or exemption from licensing by the California Department of Corporations.
Express Cash Advance and Owner Bianca Soto	16331 Lakeshore Dr., Suite B Lake Elsinore, CA 92530	Originated at least 700 payday loans since January 1, 2005 without a license or exemption from licensing by the California Department of Corporations.
K & W Check Cashing and Owner and Manager Masen Khattat	14137 S. Vermont Ave. Gardena, CA 90247	Engaged in the business of payday lending without a license or exemption from licensing by the California Department of Corporations. K & W and Khattat assisted Money Mart Express, Inc. in originating at least 90 payday loans since January 1, 2005 by advertising on its storefront as a payday loan store, handling the borrower's application for Money Mart, and distributing Money Mart debit cards.

ATTACHMENT

Desist and Refrain Order Issued To:	Location(s):	Violations of California Financial Code section 23005 (prohibits unlicensed activity) and 23046 (requires payday lenders to grant Corporations Commissioner access to books and records):
Pro Check Cashing and President Yogesh Hiralal	<p><u>Main Office:</u> 2413 S. Fairview St., Suite 1 Santa Ana, CA 92704</p> <p><u>Branch Offices:</u> 707 N. Bristol St., Suite F Santa Ana, CA 92703</p> <p>616 N. Anaheim Blvd., Suite C Anaheim, CA 92805</p> <p>1440 S. Anaheim Blvd., Suite A17 Anaheim, CA 92805</p>	<p>Originated at least 35 payday loans since January 1, 2005 without a license or exemption from licensing by the California Department of Corporations.</p> <p>Refused to grant the Commissioner access to its books and records for review in violation of California Financial Code section 23046.</p>

NOTE: To view the desist and refrain orders issued to payday loan businesses, visit Corporations' Web site at <http://www.corp.ca.gov/pressrel/05/corp/news.htm>. Click on HTML version and link at bottom of the page to the order.